PREPARED BY: DATE PREPARED: PHONE: Jeanne Glenn March 15, 2019 402-471-0056

**LB 623** 

Revision: 00

## **FISCAL NOTE**

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 201	9-20	FY 20	20-21		
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS						
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS						

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 623 would change provisions of the Beginning Farmer Tax Credit Act. It would add a definition of a cash rent agreement, and specify that tax credits issued under the program are refundable. Qualified beginning farmers and owners of agricultural assets who participated in an approved three-year rental agreement would be eligible to file subsequent applications for different assets.

It is anticipated that the provisions of LB 623 could be carried out by the Department of Agriculture and the Department of Revenue using existing agency resources.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 623 AM: AGENCY/POLT. SUB: Department of Revenue						
REVIEWED BY:	Lee Will	DATE: 3/18/2019	PHONE: (402) 471-4175			
COMMENTS: Concur with the Department of Revenue's assessment of no fiscal impact.						

LB 623 Fiscal Note 2019

State Agency Estimate						
State Agency Name: Department	of Revenue				Date Due LFA:	3/15/19
Approved by: Tony Fulton		Date Prepared:	3/13/19		Phone: 471-5896	
	FY 2019-2020		FY 2020-2021		FY 2021-2022	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	\$0	\$0	\$0	\$0	\$0	\$0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	\$0	\$0	\$0	\$0	\$0	\$0

LB 623 amends the Beginning Farmer Tax Credit Act. The bill defines "cash rent agreement" to include both a rental agreement in which assets are given in consideration for a predetermined amount of money and a variable rent agreement where the amount paid is adjusted based on actual crop yield, crop price, or both based on a predetermined formula.

The bill clarifies that a qualified beginning farmer or livestock producer and owners of agricultural assets are eligible to submit subsequent applications for rental agreements for different assets. However, tax credits may not be issued for a single agricultural asset for more than three years. The bill also clarifies that the tax credits are refundable. The Department has always treated the credits as refundable but this bill clarifies a conflict between statutes.

LB 623 amends the Beginning Farmer Tax Credit Act to align with current administrative practices of the program. There is no impact to the General Fund. There is no costs to administer the bill.

Major Objects of Expenditure							
Class Code	Classification Title	19-20 <u>FTE</u>	20-21 <u>FTE</u>	21-22 <u>FTE</u>	19-20 Expenditures	20-21 Expenditures	21-22 Expenditures
- D 0"							
Benefits							
Operating Costs	Operating Costs						
Travel							
Capital Outlay							
Capital Improvements.							
Total							